

Middle East Technical University
Faculty of Economics and Administrative Sciences
Department of International Relations
IR 316-Politics of International Economic Relations
Spring 2001/2002
Instructor: Pinar Bedirhanoglu

Purpose of the Course

This course aims to develop a critical understanding on the changes in global political economy since the 1970s. After a brief introduction to alternative contemporary approaches in the field and to pre-1970 developments, the course will examine the reasons of the rise of neoliberalism and its dominance in economic policy-making since the 1980s, its implications on various social formations as well as its limits and contradictions with particular emphasis on the question of the changing role of the state in the neoliberal era.

Requirements of the Course

There will be one mid-term exam (25%) and one final exam (40%). The students are expected to come to the class having read the material provided for each week and participate actively to the discussions. Their contribution and performance in the class will be taken into account in their overall grading as 10%. In addition to these, the students are required to write a short paper (25%) on a topic of their own interest with the supervision of the lecturer. The paper topics will be assigned at the end of the fourth week and the papers are due at the end of the term.

Organisation of the Course and the Reading List

Week 1

Introduction: Contemporary Approaches to Understand Change in the Global Political Economy

Boyle, C. (1994) "Imagining the World Market: IPE and the Task of Social Theory", *Millennium: Journal of International Studies*, Vol.23, No.2, pp.351-363.

Gill, S. (1991) "Historical Materialism, Gramsci, and International Political Economy" in C.Murphy and R.Tooze (eds.), *The New International Political Economy*, Cambridge University Press, pp.51-75.

Hodgson, G.M. (1996) "Varieties of Capitalism and Varieties of Economic Theory", *Review of International Political Economy*, Vol.3, No.3, pp.380-433.

Murphy, C.N. and R. Tooze (1991) "Getting Beyond the 'Common Sense' of the IPE Orthodoxy" in C.Murphy and R.Tooze (eds.), *The New International Political Economy*, Cambridge University Press, pp.11-31.

Strange, S. (1991) "An Eclectic Approach" in C.Murphy and R.Tooze (eds.), *The New International Political Economy*, Cambridge University Press, pp.33-49.

Wood, E.M. (1994) "From Opportunity to Imperative: The History of the Market", *Monthly Review*, No.46, Vol.3, pp.14-40.

Week 2

From Keynesianism to Neoliberalism: A Historical Background

Clarke, S. (1988) *Keynesianism, Monetarism and the Crisis of the State*, Edward Elgar, pp.287-316.

Cohen, B.J. (1995) "A Brief History of International Monetary Relations" in J.A. Frieden and D. Lake (eds.), *International Political Economy: Perspectives on Global Power and Wealth*, New York, St. Martin Press, pp.209-228.

Germain, R.D. (1997) "Between Change and Continuity: Reconstructing 'Bretton Woods'" in R.D.Germain, *The International Organization of Credit*, Cambridge University Press, pp.75-100.

Ruggie, J.G. (1982) "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order", *International Organization*, Vol.36, No.2, pp.370-415.

Webb, M.C. (1994) "Understanding Patterns of Macroeconomic Policy Coordination in the Post-War Period" in R.Stubbs and G.R.D.Underhills (eds.), *Political Economy and the Changing Global Order*, Macmillan, pp.176-189.

Week 3

Understanding the Rise of Neoliberalism

Biersteker, T.J. (1992) "The 'Triumph' of Neoclassical Economics in the Developing World: Policy Convergence and Bases of Governance in the International Economic Order" in J. Rosenau and E.Czempiel (eds.), *Governance without Governments*, Cambridge University Press, pp.102-131.

Clarke, S. (1988) *Keynesianism, Monetarism and the Crisis of the State*, Edward Elgar, pp.3-20, 316-365.

Gamble, A. (1986) "The Political Economy of Freedom" in R.Levitas (ed.) *The Ideology of the New Right*, Cambridge, Polity Press, pp.25-54.

Gamble, A. (1979) "The Free Economy and the Strong State: The Rise of the Social Market Economy" in R.Miliband and J.Savile (eds.), *The Socialist Register*, London, The Merlin Press, pp.1-25.

Gill, S. (1993) "Neo-liberalism and the Shift Towards a US-Centred Transnational Hegemony" in H.Overbeek (ed.), *Restructuring Hegemony in the Global Political Economy: The Rise of Transnational Neo-Liberalism in the 1980s*, London and New York, Routledge, pp. 246-282.

Overbeek, H. and K. van der Pijl (1993) "Restructuring Capital and Restructuring Hegemony: Neo-liberalism and the Unmaking of the Post-War Order" in H.Overbeek (ed.), *Restructuring Hegemony in the Global Political Economy: The Rise of Transnational Neo-Liberalism in the 1980s*, London and New York, Routledge, pp.1-27.

Weeks 4, 5 and 6

The Hegemony of Neoliberalism in Economic Policy-Making

A. Growth of International Capital Markets

Cerny, P.G. (1994) "The Infrastructure of the Infrastructure? Toward 'Embedded Financial Orthodoxy' in the International Political Economy" in R.P.Palan and B.Gills (eds.), *Transcending the State-Global Divide*, Boulder and London, Lynne Rienner Publishers, pp.223-249.

Germain, R.D. (2000) "Reforming the International Financial Architecture: The New Political Agenda", paper presented to British International Studies Association Annual Conference in 18-20 December 2000, Bradford.

Helleiner, E. (1996) "Post-Globalisation: Is the Financial Liberalization Trend Likely to be Reversed?" in R.Boyer and D.Drache (eds.), *States Against Markets: The Limits of Globalisation*, London and New York, Routledge, pp.193-210.

Rodrik, D. (1998) "Who Needs Capital-Account Convertibility?" in S.Fisher et.al, *Should the IMF Pursue Capital-Account Convertibility?*, International Finance Section, Department of Economics, Princeton University, pp.55-65.

B. Structural Adjustment and the IMF and the IBRD

Biersteker, T.J. (1990) "Reducing the Role of the State in the Economy: A Conceptual Exploration of IMF and World Bank Prescriptions", *International Studies Quarterly*, Vol.34, pp.477-492.

Cheru, F. and S. Gill (1997) "Structural Adjustment and the G-7: Limits and Contradictions" in S.Gill (ed.), *Globalisation, Democratisation and Multilateralism*, New York, UN University Press, pp.141-169.

Crow, B et. al. (1988) "The IMF and Mechanisms of Integration" in B.Crow et. al., *Survival and Change in the Third World*, Polity Press, pp.312-330.

Driscoll, D.D. (1996) "The IMF and the World Bank: How Do They Differ?", <http://www.imf.org/external/pubs/ft/exrp/differ/differ.htm>.

Kiely, R. (1998) "Neoliberalism Revised? A Critical Account of World Bank Concepts of Good Governance and Market Friendly Intervention", *Capital and Class*, Vol.64, Spring, pp.63-88.

Pereira, L.C.B. (1995) "Development Economics and the World Bank's Identity Crisis", *Review of International Political Economy*, Vol.2, No.2, Spring, pp.211-247.

Polak, J. (1997) "The World Bank and the IMF: A Changing Relationship" in D.Kapur, J.P.Lewis and R. Webb (eds.), *The World Bank: Its First Half Century*, Washington D.C., Brookings Institution Press, pp.473-521.

Taylor, L. (1997) "Editorial. The Revival of the Liberal Creed - the IMF and the World Bank in a Globalized Economy", *World Development*, Vol.25, No.2, pp.145-152.

Williams, D. (1999) "Constructing the Economic Space: The World Bank and the Making of *Homo Oeconomicus*", *Millennium: Journal of International Studies*, Vol.28, No.1, pp.79-99.

C. New Constitutionalism

Gill, S. (1999) "The Constitution of Global Capitalism", paper presented to British International Studies Association Annual Conference in 20-22 December 1999, Manchester.

Chomsky, N. (1998) "Domestic Constituencies", <http://www.zmag.org/chomsky/index.cfm>.

Wiener, J.(1999) "From Public to Private International Governance" in J.Wiener, *Globalization and the Harmonization of Law*, London and New York, Pinter, pp.20-40.

Weeks 7 and 8

Implications of Neoliberalism on Developing and Less-Developed Countries

Adelman, I. and E.Yeldan (1999) "Is This the End of Economic Development?", *Structural Change and Economic Dynamics*, www.elsevier.nl/locate/strueco.

Ayres, R. and D.Clark (1998) "Capitalism, Industrialisation and Development in Latin America: The Dependency Paradigm Revisited", *Capital and Class*, No.64, pp.89-117.

Chaudhry, K.A. (1993) "The Myths of the Market and the Common History of Late Developers", *Politics and Society*, Vol.21, No.3, pp.245-274.

Cizre-Sakallıoğlu, Ü. and E.Yeldan (2000) "Politics, Society and Financial Liberalisation. Turkey in the 1990s", *Development and Change*, Vol.31, pp.481-508.

Ghai, D. and C.H. de Alcantara (1991) "The Crisis of the 1980s in Africa, Latin America and the Caribbean: An Overview" in D.Ghai (ed.), *The IMF and the South*, UN Research for Social Development, pp.13-42.

Haggard S. and S. Maxfield (1996) "The Political Economy of Financial Internationalization in the Developing World", *International Organization*, Vol.50, No.1, pp.35-68.

Jenkins, R. (1991) "The Political Economy of Industrialisation: A Comparison of Latin American and East Asian Newly Industrialising Countries", *Development and Change*, Vol.22, pp.197-231.

Week 9

The Changing Role of the State in the Neoliberal Era

Burnham, P. (1999) "States, Markets and Labour: International Political Economy and Marxian Methodologies", paper presented to the Workshop on Historical Materialism and Globalisation, University of Warwick, 15-17 April 1999.

Goldblatt, D. D.Held, A.McGrew and J.Perraton (1997) "Economic Globalization and the Nation-State. Shifting Balances of Power", *Alternatives*, Vol.22, pp.269-285.

Jessop, B. (1997) "Capitalism and its Future: Remarks on Regulation, Government and Governance", *Review of International Political Economy*, Vol.4, No.3, Autumn, pp.561-581.

Ling, L.H.M. (1996) "Hegemony and the Internationalizing State: A Post-Colonial analysis of China's Integration into Asian Corporatism", *Review of International Political Economy*, Vol.3, No.1, pp.1-26.

McMichael, P. and D. Myhre (1991) "Global Regulation vs. the Nation State: Agro-Food Systems and the New Politics of Capital" *Capital and Class*, Vol.43, Spring, pp.83-105.

Panitch, L. (1994) "Globalisation and the State" in R. Miliband and L.Panitch (eds.), *The Socialist Register*, London, The Merlin Press, pp.60-93.

Wood, E.M. (1999) "Unhappy Families: Global Capitalism in a World of Nation-States", *Monthly Review*, Vol.51, No.3, July-August, pp.1-12.

Weeks 10 and 11

The Limits of Neoliberalism

A. Understanding Social Transformations in the Former-Eastern Bloc within the Neoliberal Global Context

Altwater, E. (1993) "Great Crises East and West" in E.Altwater, *The Future of the Market*, London, New York, Verso, pp.11-56.

Burawoy, M. (1996) "The State and Economic Involution", *World Development*, Vol.24, No.6., pp.1105-1117.

Gowan, P. (1995) "Neo-Liberal Theory and Practice for Eastern Europe", *New Left Review*, Vol.213, pp.3-60.

Poznanski, K. (1995) "Introduction" in K.Poznanski, *The Evolutionary Transition to Capitalism*, Westview, pp.ix-xvi.

Smith, A. (1997) "Breaking the Old and Constructing the New? Geographies of Uneven Development in Central and Eastern Europe" in R.Lee and J.Wills (eds.), *Geographies of Economics*, London, Arnold, pp.331-344.

Zecchini, S. (1995) "Transition Approaches in Retrospect", *Moct-Most*, Vol.5, No.2, pp.1-44.

B. The Asian Crisis and After

Bello, W. (1998/1999), "The Asian Economic Implosion: Causes, Dynamics, Prospects", *Race and Class*, Vol.40, No.2/3, pp.133-143.

Brenner, R. (1998) "The Looming Crisis of World Capitalism: From Neoliberalism to Depression?", *Against the Current*, Vol XIII, No.5, <http://www.igc.apc.org/solidarity/indexATC.html>.

Burkett, P. and M.Hart-Landsberg (1998) "East Asia and the Crisis of Development Theory", *Journal of Contemporary Asia*, Vol.28, No.4, pp.435-456.

Higgott, R. and N.Phillips (2000) "Challenging Triumphalism and Convergence: The Limits of Global Liberalization in Asia and Latin America", *Review of International Studies*, Vol.26, No.3, pp.359-379.

Gills, B. (2000) "The Crisis of Postwar East Asian Capitalism: American Power, Democracy and the Vicissitudes of Globalization", *Review of International Studies*, Vol.26, No.3, pp.381-403.

Hay, C. (2000) "Contemporary Capitalism, Globalization, Regionalization and the Persistence of National Variations", *Review of International Studies*, Vol.26, No.4, pp.509-531.

Mastanduno, M. (2000) "Models, Markets, and Power: Political Economy and the Asia-Pacific, 1989-1999" ", *Review of International Studies*, Vol.26, No.4, pp.493-507.

Öniş, Z. and A.Faruk (2000) "Neoliberal Globalisation, the Nation-State and Financial Crises in the Semi-Periphery: A Comparative Analysis", *Third World Quarterly*, Vol.21, Issue.1, pp.119-140.

Week 12

Round Up